



## Improved Procedures Announced for . . . . . . . . Real Property Securities Permits

In response to some complaints that the application of restrictions on second trust deed transactions, was proving "excessively stringent, to the point where it impedes legitimate business practice," Assistant Real Estate Commissioner John E. Hempel appeared before a meeting of the State Assembly Subcommittee on Trust Deeds on September 13 in Buena Park, to outline the following constructive steps, procedural and otherwise, recently taken by this agency to assure adequate protection of the buying and investing public with the least possible hampering of the flow of proper secondary financing.

- Adoption of a simplified application form in lieu of the lengthy narrative document initially developed.
- Adoption of a procedure for obtaining amended permits for the resale of securities at the fee provided for amended permits.
- Development of a basic division policy concerning a definition of what is "in the business," a term not specifically spelled out in the law.
- Establishment of the policy of determining what constitutes a sale to the public in terms of the facts presented by each case reviewed. This should result in a broader concept of a private sale. Example: sale to a partnership made up of the selling corporation's officers, etc.; also a closed permit with escrow requirements could conceivably demand fewer and less stringent restrictions than one in which this basic control (that of a closed sale) was not fully considered.
- Putting into practice a general speedup in the processing of permit applications.
- Adoption of a concise definition of "promotional notes," supported by an Attorney General's opinion.
- Obtaining an Attorney General's opinion clarifying interagency jurisdiction as it pertains to the Division of Real Estate and the Corporations Commissioner.
- Submission to the Attorney General's office of a request for an opinion as to whether hypothesized notes are within the jurisdiction of the law; meanwhile, continuing to consider them within the law, but evaluating carefully the financial situation of the borrower (permit applicant) to make it easier for a responsible applicant to obtain such a permit.
- Permitting the required submission of title policies or letters to be made as one of the last steps of an applicant in completing his permit application filing.
- Establishment of close liaison with the industry and with legislative committees in the interest of promoting co-operation and understanding among all parties involved in the trust deed law picture.
- Adoption of the practice of drafting permits so that the phraseology points toward the security rather than the applicant, as a means of facilitating the drafting of amended



Assistant Commissioner John E. Hempel (L) discusses real property securities regulations with Administrative Adviser J. P. Mahoney (R).

permits, should a resale situation develop.

Finally, concluded Mr. Hempel's statement, "We have noted some additional interest in real property securities permits since these steps have been taken and stand ready to maintain a continuing review of our operations in order that the public may be properly served and at the same time the public interest may be protected."

### TO IMPATIENT EXAMINEES

Original license applicants who "just can't wait" to telephone the inquiry, "How did I do in my examination?" should take notice that their time and toll charge will henceforth be wasted unless at least two weeks have passed subsequent to their examination date.

The division has been forced to discontinue giving out original examination results by telephone because the practice disrupts orderly office procedure and delays the mailing of this vital information to examinees whose patience deserves a better reward.

**REAL ESTATE BULLETIN**

Official Publication of the  
California Division of Real Estate

November-December 1962

Published Bimonthly in Sacramento by the

**DIVISION OF REAL ESTATE**

STATE OF CALIFORNIA

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Real Estate Commissioner

JOHN E. HEMPEL

The Assistant Commissioner

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**Disciplinary Action—September 1962**

NOTE: Any person whose license has been suspended or revoked, or whose license application has been denied, has the right to seek a court review. This must usually be done within 30 days after the effective date of the commissioner's decision.

Therefore a list of actions is not published in this *Bulletin* until the period allowed for court appeal has expired; or, if an appeal is taken, until a final determination of the court action. Names of persons to whom licenses are denied upon application are not published.

**Licenses Revoked During September 1962**

Name	Address	Effective date	Violation
Chase, Boyd.....	4226 Mission St., San Francisco.	9/ 5/62	Sec. 10177(k)
Restricted Real Estate Broker			
Tensfeldt, Roy Lawrence.....	10 Park Plaza Dr., Daly City...	9/ 5/62	Sec. 10177(b), (f)
Real Estate Salesman		(Granted right to restricted license on terms and conditions)	
Benson, Anton John.....	44312 Sierra Hwy., Lancaster...	9/ 6/62	Secs. 10176(e), 10177(f)
Real Estate Salesman		(Granted right to restricted license on conditions)	
Corwin, Lyn W.....	1350 N. Highland Ave., Los Angeles	9/12/62	Sec. 10177(j)
Real Estate Broker			
President Lyn W. Corwin & Associates, Inc.	500 S. San Vicente Blvd., Ste. 6, Los Angeles		
Simpkins, Emeth Mavis.....	1628 W. 45th St., Apt. 101, c/o Lewis, Los Angeles	9/12/62	Secs. 10137; 10177(d), (f); 10130; 10139
Real Estate Salesman			
Causey, Norman Donald.....	2210 E. Pacific Coast Hwy., Long Beach	9/20/62	Sec. 10177(f)
Real Estate Broker			
Joos, David Robert.....	Box 4293, Long Beach.....	9/20/62	Sec. 10177(f)
Real Estate Salesman			
Allen, William Edward.....	1415 North Ave., Del Paso Heights	9/24/62	Secs. 10142; 10176(a), (e), (i); 10177(d), (f), (j)
dba Orbit Realty Co.			
Real Estate Broker			
Williams, Thaddeus C.....	1318 Hayes St., San Francisco ..	9/24/62	Secs. 10176(e), (i); 10177(d), (f); Secs. 2832 and 2834 of R.E. Comm. Reg.
Real Estate Salesman			
Kalstrup, William Charles.....	1727 Webster St., Oakland.....	9/27/62	Secs. 10160; 10162; 10164; 10177(f)
Real Estate Broker			
Adams, Lucille Mary.....	P.O. Box 281, Campbell.....	9/28/62	Sec. 10177(b), (f)
Real Estate Salesman			
Davis, James Madison.....	1739 Travis Lane, Sacramento..	9/28/62	Sec. 10177(b), (f)
Real Estate Salesman			

**Licenses Suspended During September 1962**

Name	Address	Effective date	Violation
Blackwell, James Wesley.....	1318 Hayes St., San Francisco ..	9/11/62 10 days	Sec. 10177(j)
Real Estate Broker			
Kessel, Lawrence Robert.....	1916 S. Flower St., Santa Ana ..	9/12/62 30 days	Secs. 10176(a), (b), (i); 10177(f), (g), (i)
Real Estate Broker			

**REAL ESTATE WORDS TO MATCH STANDARDS**

A sound case may be made for the thesis that the way one looks at his business will to a considerable degree determine the way he actually conducts it. This fact leads the *Bulletin* to speak commendably of the current effort of the National Association of Real Estate Boards to diminish to the point of ultimate extinction the use of the words "deal" and "dealer" in referring to either realtors or their transactions, only we would wish that the practice might be so with respect to all licensees in or out of organized real estate.

The actual proposal of the NAREB Realtor-Public Relations Committee, subsequently approved by the board of directors and given widespread

publicity, stated that, "because the use of the words 'deal' and 'dealer' in connection with real estate transactions conducted by realtors, carries a public connotation that is incompatible with the ethical and professional standards of realtor service to buyers and sellers of real property, we recommend that the use of these words be avoided in written or oral statements made by realtors or any of their organizations or employees in connection with the public conduct of the real estate business."

Licensees, we are sure, will gladly concur that real estate terms should be synonymous with real estate ideals and practice!

**OLDTIMER'S HONOR ROLL**

We gladly honor men and women who built and continue to build the professional structure of the real estate industry.

HERBERT A. CROCKER  
Crocker Development Co.  
San Rafael

DOROTHY ELSA ORAK  
Easton Realty Co., Burlingame

JOHN RAYMOND GABBERT  
3709 B Arlington Avenue, Riverside

ARTHUR CORYDON GABRIEL  
150 Union Street, Pasadena

O. NICHOLAS GABRIEL  
Suite 200  
291 South La Cienega Boulevard  
Beverly Hills

WALTER NEWTON GABRIEL  
316 - 15th Street, Oakland 12

## Wilson Prepares to Launch 1963 CREA Presidency

L. H. "Spike" Wilson of Fresno, having been chosen president of the 38,000-member California Real Estate Association for 1963 at the 58th annual convention in San Francisco, will succeed Charles H. Brown of Pasadena, following his hometown installation January 12.



L. H. "SPIKE" WILSON

Mr. Wilson began his real estate career in 1936 and is owner-operator of the Fresno realty firm of Hughson and Swett.

Currently a member of the board of directors of the National Association of Real Estate Boards; the president-elect served as president of the Fresno Realty Board in 1950; three terms on the executive committee of the state association; was chairman of the 1962 Creative Real Estate Investment Conference; and has long been active in the educational activities of organized real estate.

Born in Dallas, Oregon, Wilson came to Fresno at an early age. He graduated from Fresno State College with a major in journalism and was a

newspaper reporter for the Fresno Bee prior to entering the real estate business.

Among his many civic interests is the United Givers Plan of Fresno, where he and his wife, Louise, have maintained their home through the years, and from where he will launch his new administration.

### Questions From the Field

In this column we propose to list and answer questions which have been asked often enough to indicate widespread need of clarification. In this issue attention is devoted to questions repeatedly asked with respect to examination context and procedures.

**Q.** Does the Division of Real Estate have a compact, easy-to-read pamphlet which lists the required qualifications for a license and the steps one must take in applying?

**A.** Yes. Every applicant, whether he presents his application and fee in person or by mail, receives—and anyone may procure—a 22-page "Instructions to Applicants and License Information" booklet which, if it were read, would prevent much confusion, improper procedure, and time-consuming question asking.

**Q.** May one who attributes his failure to pass an examination to "extenuating circumstances" have his grade re-evaluated?

**A.** No. Passing or failing grades are carefully checked, completely impartial, and are final.

**Q.** Will you please recommend the best books to study or the best schools to attend in preparing myself for an examination?

**A.** The division publishes an authoritative volume, the REFERENCE BOOK (\$2.60, including tax), covering all categories dealt with in license examinations. The questions you will have to answer deal with law and practice as they are today, however, not as they were years ago. The latest edition (1962) is the only edition to use.

### Bulletin Challenged on Calling a Spade a Spade

A distinguished appearing gentleman presented his card to the girl at the front counter of the Sacramento main office and said, "I would like to meet the editor of your *Real Estate Bulletin*. The commissioner sent out a request for constructive criticism in the last issue and I have come here from Southern California to deliver mine face to face."

A somewhat flustered clerk ushered him into the publications office where, after the usual formalities, he sat before the editor's desk.

"Well, shall I lay it on the line?" he asked meaningfully.

"Please do," he was told by the editor, as he braced himself for whatever might be forthcoming.

"Well," said our critical friend, "my criticism, which I believe constructive and which I know to be valid, is that you are consistently guilty of pulling your punches. In reporting incidents of unethical practice or actual violations of law by practicing real estate people you fail to call a spade a spade."

"Perhaps we are a little reticent about waving the black flag of un-

qualified guilt," the editor answered, "but would you care to be specific?"

"Certainly," he replied, and, reaching for a copy of the July-August issue upon the desk before him, he placed his finger upon an article listing a series of illegal practices by rental agencies recently uncovered by spot surveys made in some of our major population centers and captioned "Careless Rental Practices Cause Official Concern."

"See that?" he said. "You don't really think those were careless practices, do you? You know them to be outright violations of the law. Well, my point is, why don't you say so?"

The editor's answer to our friend, who spoke both as a licensee and as a professional lecturer of considerable reputation and esteem, was that we are not out to sell papers with our headlines on the content of our articles but rather to inform and guide an industry into the highest possible level of service. To this end, we do not wave flags, but we do strive to present facts straightforwardly and lucidly.

# NATIONAL BETTER BUSINESS BUREAU'S RECOMMENDATIONS

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## INTRODUCTION

**Purpose:** The intent of these recommended standards is to encourage and preserve dependability in the advertising and selling of land. They apply equally to advertisements in newspapers, magazines, radio broadcasting, telecasting, direct mail, and to advertising in any form.

## APPLICATION

If the advertising solicits any kind of advance payment or deposit, then all of the standards hereinafter listed are applicable to each such advertisement.

If the advertising makes reference to particular improvements or features, all applicable requirements of these standards relating to these particular features shall be revealed in the copy, regardless of whether advance payment or deposit is required.

## GENERAL

The basic nature of the land offered shall be identified accurately, and any unusual feature shall be affirmatively disclosed in order that prospective purchasers may have a true understanding of what is being offered. Prospective purchasers shall have full information about the offering in writing, prior to purchase. Toward this end, the following specific guides are promulgated.

1. All claims made for land shall be accurate and provable.
2. Advertising shall not misrepresent the facts or create misleading impressions.
3. Advertising shall not obscure or conceal material facts.
4. Advertising subject to local or state jurisdiction shall comply with any regulations governing such advertising. Advertising which is disseminated in interstate commerce shall comply with all federal regulations.
5. Advertising shall state the location of the property in relation to its dis-

tance in miles from a sizable community.

6. Advertising shall disclose any restrictions or reservations of record which subjects the property to any unusual conditions affecting its use or occupancy.

7. Advertising shall disclose percentage of oil, gas, or mineral rights not included and whether there is right of entry for exploitation purposes.

8. Predictions of price increases of lots, over which the advertiser does not have control, should not be made. Statements that lot prices will be increased by the advertiser shall be specific as to amount and date of the announced increase; the date shall be in the near future, and the increased price shall be maintained for a reasonable length of time.

9. Lots or land offered for speculative purposes shall be so represented. They shall not be represented as offering quick, immediate, or specific profits.

10. Advertising shall make no derogatory or unfair reference to competitive developments or properties.

11. Title to purchasers shall be insurable by a licensed title company.

12. If property exchange privileges are advertised, and qualifications shall be stated clearly.

13. Deeds, title insurance, and other items which are included in a transaction shall not be described as "free."

14. The asterisk, or any other reference symbol, shall not be used as a means of contradicting or substantially changing any statement.

15. If any consideration is required to secure a lot for any reason, it shall not be stated or implied that such lot is "free" or is given as an "award," or "prize."

16. Lots shall not be advertised for "closing costs only" or other deceptive devices, when this is the usual and

customary method of selling, or when an additional lot or lots must be purchased at a higher price.

17. Advertisers shall not use names or trade styles which imply that they are bona fide research organizations, public bureaus, nonprofit groups, etc., when such is not the case.

## "DEVELOPMENTS," "SUBDIVISION," "COMMUNITY" AND SIMILAR TERMS

Such terms are defined as referring to, and shall only refer to, land actually being developed for residential occupancy.

1. Advertising of lots for "homesites" shall refer only to recorded subdivisions, with streets or roads installed, or assured by bonding, or other means acceptable to authorities.

2. Advertising shall not refer to any improvements unless they actually exist, are under construction, or are assured by bonding or other means acceptable to authorities.

3. If streets, roads, sewers or drainage referred to in advertising have not been accepted for maintenance by a public entity, such fact shall be disclosed.

4. If the purchaser must bear any assessments, advertising shall disclose this fact clearly.

5. Reference to "predevelopment prices" shall occur only after subdivision plat has been recorded and after positive assurance is available of completion of proposed improvements.

6. Advertising of lots and homesites shall make no reference to the availability of financing for home construction unless actually available.

## UNDEVELOPED PROPERTIES AND ACREAGE

1. Unimproved land shall be clearly described as such and shall not be referred to as "developments," or "homesites." Unimproved land shall,

# INTENDED STANDARDS FOR LAND ADVERTISING

esident, National Better Business Bureau, Inc.

in addition, be referred to only in terms such as "tracts," "parcels," "acreage," etc.

2. Advertising of land for any particular use shall be suitable for such use. If more than nominal expense shall be incurred in preparing the land for the advertised use, such fact shall be disclosed.

3. If individual lots or tracts are not identifiable, such shall be disclosed.

## DRAINAGE

1. Advertising shall disclose prominently when the property or any portion of the property is normally under water for extended periods of time during the year.

2. Advertising shall disclose prominently when the property is not usable for the advertised purpose until drained.

3. Advertising shall disclose prominently when drainage of the property would necessitate a public undertaking, and whether there are present plans for such drainage.

## ACCESS

1. "Streets" may be defined as such only when paved with hard surface according to county or city specifications.

2. "Roads" shall be affirmatively described as to their nature, i.e., macadam, gravel, dirt, etc.

3. To be described as "improved," roads shall be paved according to county or city specifications.

4. Roads described as "unimproved" shall be suitable for use by automobiles.

5. If a property contains no roads, that fact shall be disclosed.

6. Right-of-way easements shall not be described in such fashion as to indicate roads, or present access.

7. The use of terms such as "ranch roads," "suburban roads," "marl

roads," etc., which are not generally understood by the public, shall not be used unless adequately defined.

8. If access to the property by ordinary auto is not possible, this fact shall be clearly disclosed in advertising, including the distance to usable road.

## ILLUSTRATIONS

1. Illustrations of the property shall portray accurately the property in its present state.

2. The sole use of illustrations of points of interest some distance away shall be avoided. If used in conjunction with illustrations of the property, the distances in miles shall be stated.

3. Artists' conceptions of the property and/or facilities shall be clearly and conspicuously described as such, and shall not have the capacity to mislead or deceive readers.

4. If maps are used to show proximity to other communities, such maps shall be drawn to scale, and scale included.

## DISTANCES

1. All distances to any facilities or features outside the property which are referred to in the advertising shall be stated accurately in actual road miles.

2. The distance to the nearest city, town or village shall be disclosed in actual road miles measured from the sections being advertised.

3. If roads do not extend to the property, this fact, and the distance to roads shall be stated clearly.

## WATER SUPPLY

1. Phrases such as "abundant water," "plenty of water," etc., shall not be used unless water is readily available in adequate supply at nominal cost.

2. In connection with "homesite" offerings, if it is necessary for purchasers to drill their own wells, that fact shall be disclosed clearly, together with the average cost thereof.

3. Advertising which refers to a "water system" or "water supply" shall disclose any unusual costs or rates which must be borne by the purchaser.

4. Advertising of farm or grove tracts shall disclose clearly if irrigation is required.

## UTILITIES

1. If power or telephone lines are not available to the subdivision advertised, this fact shall be disclosed clearly.

2. Power or telephone service shall not be described as "available" unless lines are installed and ready for use at the subdivision advertised.

3. If purchasers will be required to pay costs or assessments in excess of the normal public utility charges, these facts shall be disclosed.

4. Advertising shall disclose the type of sewage disposal and whether approved by local health authorities.

5. Lots shall be offered in sizes which meet the minimum requirements of states or communities for both private water supply and private sewage disposal systems.

## PRICES

1. All statements regarding the prices of properties shall be accurate and complete and shall state clearly the sales prices and financing terms, if any.

### DON'T MISS THIS BOAT!

Spring classes of the University of California Extension Certificate Program in Real Estate get underway statewide early in January. Get lined up now. Address inquiries to Northern Area Office: University Extension, University of California, Berkeley 4; or, Southern Area Office: University Extension, University of California, 813 South Hill Street, Los Angeles 14.

## University Broadens Attack on Real Estate Problems

Real estate professionals and those aspiring to that level of service as licensees will be interested in a university bulletin announcement that the University of California Board of Regents has authorized "a three-pronged attack on the problems of urban and regional growth." They will be interested because they constitute the service group primarily concerned with the use of the knowledge developed.

Broad-based new research units will be created at Berkeley, designed to give both faculty members and graduate students improved facilities and support for urban and regional studies.

### *Program Meets a Long-felt Need*

"The need for this step has been felt for more than a decade," declared Berkeley Chancellor Edward W. Strong. "Some 110 faculty members from more than 15 departments and units on the Berkeley campus already are actively interested or engaged in urban studies. But they urgently require coordination and stronger support of their work, in many disciplines, which these new units will provide."

### *Present Research Program Expanded and Renamed*

It is proposed that the new program be centralized in an Institute of Urban and Regional Development, to be headed by one of the country's leading men in this field. This institute will include a Center for Research in Real Estate and Urban Economics, an expanded and renamed version of the present Real Estate Research Program.

The second phase of the new project will involve a new Center for

## The Best Proof of Professional Performance

Few licensees would challenge a *Bulletin* correspondent's contention that "the best proof that a real estate transaction has been handled in a professional manner is the knowledge that all parties involved remain satisfied and happy about it." But it would be a reasonably safe assumption that in the portfolios of a number of "head nodders" could be found case histories of buyers and sellers, particularly the former, who entered into a transaction with happy anticipation. They awaited patiently the completion of the various processes involved in escrow procedure with the same aura of contentment about them, only to have it dissolve into bitterness when they were faced with unanticipated costs—points, prorations of taxes and loan payments, for instance—which had not been previously explained to them.

These people involved in real estate transactions rightfully expect their agents and counselors to know these things and to see that their clients know them at the time of the initial agreement or, at the latest, at the inception of escrow so that they may be planned for in advance. This not having been done, they may "pay the piper," lick their wounds and go their way—but they will not come back to the same broker again. **And, what is even more serious, they are apt to carry with them, henceforth, a possibly unjustified but certainly understandable suspicion of all real estate brokers and salesmen.**

Some would rationalize this problem by saying, "This is the responsi-

bility of the title company or of the escrow officer."

It is true that computing some of these factors finally can be done only at escrow, but this does not absolve the broker or his salesman from the duty of following each transaction through to its final consummation; to see to it that he has achieved a "meeting of the minds" of both buyer and seller on all facets of the negotiation, including these peripheral headache details most apt to leave posttransaction hangovers. The man who does this not only gains commission checks; he wins friends, he influences people, he maintains a following and he grows in recognition of himself and his calling. He is a professional.

Planning and Development Research, which will concentrate on the isolation and analysis of problems of urban growth.

The third area of activity will center in the related social sciences with special projects being contemplated in such areas as social welfare, criminology, sociology, education, public health, geography, law, architecture, and other such fields.

### *Many Studies Already in Process*

In this connection, the university bulletin lists the following studies "which the new research setup will help to broaden and expand" as being already underway at Berkeley: "projects on housing, legal aspects of land use planning, crime and delinquency, location of marketing activities, welfare problems, planning of schools, urban climatology, population distribution, cultural facilities, the impact of industrialization, communication and other problems."

## Unmitigating Mitigations

"By way of mitigation" is a routine phrase purporting to justify the acts of a respondent licensee. Often they prove to be a thin film of rationalization, designed as much to protect the respondent's conscience as to defend against an adverse decision.

A clarifying example of these mitigating cases which do not mitigate is shown in the hearing officer's proposed decision in the case being reviewed.

Broker X, in the legal phraseology of a formal document, "while licensed as a real estate broker and while performing services for which such a license is required" accepted the sum of \$3,300 down payment and closing costs along with an offer on a property upon which he had both an exclusive listing and a multiple listing

(Continued on next page)

### MATH IS A MUST

Simple arithmetic is unquestionably the greatest stumbling block to those who seek to pass license examinations; and, strange as it may seem, broker examinees have the greater difficulty.

A word to the wise: The ability to handle the mathematical calculations involved in everyday routine of the real estate business is considered an absolute requisite.



## More About Mitigations

(Continued from page 582)

service authorization. Having gained possession of this money he "did not maintain all of said moneys in a real estate trust account with a bank or other recognized depository and did not immediately deliver said funds to his principal or to a neutral escrow depository." Instead he "wrongfully and unlawfully commingled said funds with his own funds and" using them for his own use and benefit.

In a subsequent transaction, this same broker accepted for his employing seller a sum of \$3,000 as the down payment on a property; and, when the sale was consummated, held an additional \$3,000 for the sellers which, at their request, was stipulated as the deposit to accompany a written offer by them on yet a third property.

In both these latter instances he failed to put the funds in a trust account, to give them to his principal or to place them in a neutral depository, but rather used them for his own use and benefit.

"By way of mitigation," Broker X, among other circumstances, set forth the following alleged justifications: (1) Due to the demands on his time of some property remodeling jobs, he had left his bookkeeping duties in his wife's hands and she had apparently been late with some of her deposits. (2) During the period covered by the litigated transaction, he had paid out money from his trustee account for clients before funds had been received and deposited for them. (3) With respect to the first commingled \$3,300, the transaction failed of consummation; and, feeling entitled to his commission, he had simply retained the deposit. (4) When informed by an investigating deputy real estate commissioner that proper procedure was to return the money and sue for his commission, he had returned it. (5) He had ample personal funds to more than cover the trust account shortages and had transferred \$7,000 to rectify accounts.

Obviously, none of these explanations either explained his actions or justified willful violation of both the law and the confidence of clients; and the commissioner so held.

## Policy on Publication of Disciplinary Actions

The Real Estate Commissioner is continually subjected to opposite pressures in regard to the list of disciplinary actions regularly published in the *Real Estate Bulletin*.

On the one hand, licensees whose acts have resulted in revocation, suspension, or other restrictive measures affecting their right to do business under their license often, either directly or through the agency of others, present pleas that the disposition of their cases not be mentioned.

From another quarter comes an even more persistent suggestion that the acts for which disciplinary actions are ordered be spelled out in meticulous detail. "*It is not enough,*" says this latter group, "*to identify the violation involved by code citations only. Tell us what the respondent actually did!*"

To the first type of pressure, there is only one answer. The Real Estate Law and the agency created by that law exist to serve the public. That public, and the real estate industry is part of it, has a right to see the record. Therefore, no one who is subjected to disciplinary action will be exempt from the published list except those whose licenses are retired under Section 10177.6, Business and Professions Code; that is, on the grounds of insanity or judgment of incompetency. In such instances no direct positive or negative conduct by the licensee is involved and no good would be served by publicizing a regrettably necessary action.

With respect to those who would like all the details, the answer is threefold: (1) The specifications and findings in many of the cases are tremendously long and involved. To attempt to brief them in layman's language would be exceedingly difficult and time consuming if the job were done in a way that would not invite the possibility of further litigation. (2) Such cases as are particularly informative and helpful in imparting a clearer knowledge of the law have been and will continue to be presented in understandable detail in the *Bulletin*. Ordinarily, however, these will be

## Case of the Broken Promise

The *Nebraska Real Estate Commission Comment* for October 1962 cites an interesting court decision (*Maple Hill Farms vs. New Jersey Real Estate Commission*, 170 Atlantic 2d 461) setting forth the dictum that "lack of ethical qualities which befit the vocation" is acceptable grounds for license revocation.

The broker, in this instance, had been separated from his license on the grounds of fraud and deceit. He had sold a piece of land to a buyer who signed the sales agreement without undue influence or deceit by the broker. In negotiating the financial arrangements, however, the broker agreed to share the cost of filling the land to grade. Subsequently, when this work had been completed, he refused to pay his promised share, was brought to a hearing, and revocation of his license ensued based upon his having made "false statements."

On appeal the court ruled that no fraud or deceit had, in fact, occurred and that consequently the board was not justified in revoking the license for "false statements." Valid grounds for revocation did exist, however, in that **"the failure to keep the agreement shows bad faith and unworthiness on the part of the broker. He is guilty of a lack of ethical qualities which befit the vocation. The license could be revoked for this reason."**

The court went on to point out that "in handling complaints, a real estate commission should remember that it cannot decide disputes . . . Its function is to hold hearings and determine whether the license should or should not be revoked." While this is a principle, basically as applicable in California as in New Jersey, it should be stipulated that the commissioner can and does make the reimbursement of specified sums, a condition in some disciplinary decisions.

generalized at least to the extent that the respondent is not identified. (3) It is the responsibility of every licensee to know the implications of all listed code sections or, at the very least, to have ready at hand a copy of the law for immediate determination of fact.

## Industrial Pattern Study Receives Commendation

Termed by Dick Revenaugh, City Editor of the Sacramento Union, in his column of commentary on the economic scene, "one of the best and most factual studies of Sacramento County industrial woes and triumphs . . ." to come off the press, the volume, *"Changing Pattern of Industrialization, Land Use, and Values,"* authored by B. E. Tsagris and Robert K. Coe of Sacramento State College's Real Estate Research Bureau, has been equally well received by specialists in real estate and related fields.

This fourth in a series of studies made by this institution under contract with the Division of Real Estate as administrator of the Real Estate Education and Research Fund is "best," says the reviewer, "because it is done in a very scholarly way; and factual because it rips the aura of rosiness from industrial growth." The findings represent a valid frame of reference for those considering the industrialization process in other comparable areas.

The authors define the purpose of the study as being threefold: "(1) to determine, through an analysis of over 1,000 verified unimproved land sales, the impact of industrial development on land values in order to develop a methodology which would be useful in projecting changes in land values; (2) to prepare a statistical analysis of the county business patterns and compare the growth of various sectors of the county's economy with the growth of these sectors of the State of Cali-

## Real Estate Student Survey Helps Program Planning

Robert W. Mitchel, instructor in real estate at Orange Coast College, started off the current school year by conducting a background survey of the 472 students enrolled in the nine courses being taught at his school. The information obtained may offer some clues to the type of person being attracted to college level real estate studies and most certainly proved, in Mr. Mitchel's own words, "extremely helpful in the planning and promotion" of Orange Coast's overall real estate program.

A tabulation of results shows:

<b>Sex:</b>	
Male .....	65 percent
Female .....	35 percent
<b>Age groups:</b>	
18-20 .....	6 percent
21-24 .....	8 percent
25-30 .....	16 percent
31-40 .....	25 percent
over 40 .....	45 percent
<b>Semester at Orange Coast:</b>	
1st .....	64 percent
2d .....	15 percent
3d .....	9 percent
4th .....	5 percent
5th .....	7 percent
<b>Highest grade completed:</b>	
0-11 .....	12 percent
12 .....	38 percent
13 .....	10 percent
14 .....	13 percent
15 .....	6 percent
17 .....	13 percent
18 .....	8 percent

Previous college attendance: 60 percent—Bachelor degrees or better: 21 percent—  
 Certificate in real estate candidates: 50 percent—Real Estate Board affiliations: 48 percent

fornia and the United States; (3) to determine, from a questionnaire survey of representative California and Sacramento County firms, which factors influence the industrial location decision."

Some of the several interesting conclusions of the study are:

1. Land values do not necessarily increase in direct proportion to the distance from an industrial complex. To illustrate: for each \$100 increase in value in land close to an industrial plant in the Sacramento area, there

was \$61 increase for land 15 minutes away, \$34 in 20-minute zone, \$20 in 25-minute zone, \$18 in 30-minute zone, and \$28 in 35-minute zone.

2. Per capita income in Sacramento County has shown a decrease of industrial payrolls, not an increase.

3. Among the serious difficulties experienced by Sacramento County in selling industry on locating there, we find (a) inadequacy of industrial zoning; (b) adverse local and state laws; (c) a certain unfriendly attitude of the community toward the industry.